
Movin' On

Volume 1 Issue 1

Advice and tips for Claim Investigating Officers

June 2001

From the Chief

This is the first issue of Movin' On - a newsletter containing information, advice and tips for Claim Investigating Officers regarding household goods claims. We hope you will find the material contained in this newsletter useful when you are assisting claimants and doing investigations.

In this first issue, we discuss some general topics that we think are of interest to you. However, we need your feedback to know if we are hitting the mark. Please tell us if the newsletter helped you, what other subjects would benefit you and how we can improve the newsletter. Please send comments to shubbard@fincen.uscg.mil or pmarciano@fincen.uscg.mil.

Finally, FINCEN claim settlement officers are here to answer questions and help resolve problems. Their names, electronic mail addresses, and telephone numbers appear at the end of this newsletter. Feel free to contact them at any time.

Susan Hubbard

Customer Service...

Do you let household goods claims submitted to you languish on your desk? Process the packages as soon as you can and send them to us for adjudication and payment. We understand that being a Claim Investigating Officer (CIO) is a collateral duty. However, it's very important to the claimant to settle their claim in a timely manner. We need your help to give claimants the kind of world-class customer service we expect for ourselves.



Two-year statute of limitations...

A claimant has two years from the date of delivery of their goods to file a claim with the Coast Guard. This requirement guarantees settlement cannot be extended. However, do not reject a claim package because the two-year time limitation was exceeded. Accept the claim, process it, and submit the package to the Claims Section. Claims personnel will deny the claim and, if appropriate, assert a demand against the carrier. Any funds recovered from the carrier will be disbursed to the claimant.

As a CIO, it's a good idea to keep a log of household goods claims you receive and process. The log should list the claimant's name, rank, date the goods were delivered, date you received the claim, and the date you sent the package to the Claims Section.

Visit our web page...

The Claim Section has its own web page on household goods claims. It is located at <http://www.fincen.uscg.mil/hhq.htm>. You will find tips on claim prevention, a guide for claim package completion, and a guide for claim investigation officers. We placed information on the latest Department of Defense household goods move pilot program, Full Service Move Project (FSMP). Be sure to check it out.

Advance emergency payments...

Some moves are real disasters - the entire shipment is missing, destroyed or damage is so extensive that the claimant doesn't have the bare necessities to set up his or her household. In these instances, an advance emergency payment may be made to the claimant.



**Useful web sites
listed on
Page 5 of this
newsletter.**

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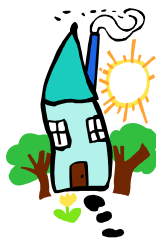
The Claims Section handles these situations on a case-by-case basis. Claim settlement officers rely on the CIO to help determine if an advance emergency payment is appropriate. In every case, the claimant will be required to sign an agreement that they will reimburse the Coast Guard if the final claim settlement amount is less than the advance emergency payment received.

If you encounter this situation, call 757-366-6504 and a claim settlement officer will walk you through the process.

Damage to real property...

The Military Personnel and Civilian Employees Claims Act does not provide for payment of carrier damage to real property. If the damage is to government quarters or Coast Guard leased housing, the claimant should contact the Housing Office as soon as possible. If the carrier damages a claimant's private residence during packing, picking up or delivery of their household goods, here are the steps the claimant should take:

- If the damage occurs at delivery, document the damage on the DD Form 1840
- If the damage occurs at time of pickup, document the damage on the DD Form 619
- Specifically state how the damage happened
- Get the name, address and telephone number of the local agent
- Take pictures of the damage
- Get estimates to repair the damage
- Send the documented claim by certified mail, return receipt requested, to the local agent and provide a copy to the servicing TO



Repair estimates and appraisals...

Why are estimates of repair required? In most cases, estimates are necessary to restore property to the condition it was in when it was moved. In addition, claims personnel need a basis to pay a claim and recover the carrier's liability.

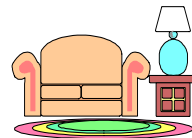
When is an estimate necessary? (1) Generally, for all damaged furniture including

upholstered items. (2) Anytime internal damage to an electrical, electronic, or mechanical item is claimed. An exception might be made if there is significant external damage to this kind of item and it is small enough to bring to the claims office for inspection or it is observed at the residence during a claims inspection. (3) When there are questions as to whether the item is damaged beyond repair. (4) Anytime the claims settlement officer needs an estimate to properly assess the value, nature and extent of damage, or cause of damage.

Estimate fees. Repair firms may charge a fee for an estimate. If the estimate fee is not included in the total cost of repairs, or is not deductible when the work is accomplished, then the fee may be claimed as a separate line item on the claim.

What needs to be on the estimate? The estimate should be detailed as to the type of damage being claimed and its location on the item. It should cover only the new damage that is listed on the DD Form 1840/1840R. Guidance for specific items is:

- Upholstered furniture. The estimate should list separate costs for material, labor, tax, and any pick up and delivery charges.



- Items made of wood or wood products. The estimate should describe the damaged areas, the repairs necessary to restore the item to its pre-move condition, and any pickup and delivery charges.

- **Electronic items.** *When there is possible internal damage to these types of items, the repair estimate must be sufficiently detailed to show the claims office that the item was damaged in shipment.* The sensitive electronic components in these items can fail for many different reasons including age, normal wear and tear, handling and use by the owner before and after shipment, temperature and climate fluctuations before and after shipment, and deterioration or poor quality of circuit boards and other parts. Since there are other possible causes, the mere fact that an

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electronic item worked before a move and did not work afterwards is often not sufficient to establish that it was damaged in shipment. Ordinarily, claims personnel need at least an opinion from a qualified repair person stating that the damage was caused by shipment and specifying how and why.

- To assist claimants with obtaining a useful repair estimate for electrical and electronic items, the Claims Section has a form that shows the repair firm what information the claims office needs. See pages 6 and 7 of this newsletter for a copy of this form. Please have claimants take it to the repair firm and insist on its use.

Appraisals. Appraisals should not be confused with estimates of repair. An appraisal is the estimate of value for an item before damage. It is difficult (sometimes impossible) to properly appraise an item after it sustains damage. An appraisal on a missing item is oftentimes not possible or accurate since the item cannot be seen and judged. For example, without seeing a rare and valuable coin, baseball card, or item of jewelry, no appraiser can give a definitive estimate of value.



Members who have items of high value, are of a rare nature, or are considered antiques should have an appraisal of their household goods before they move. While appraisals are not payable under the claims statute, they are sometimes necessary before homeowners or renters' insurance can be obtained.

One final note on appraisals - if a shipment contains items of high value or cannot be replaced easily because of their rarity, the shipper should consider obtaining commercial insurance or Full Replacement Protection on their shipment. Remember - the maximum payable by the government for a household goods claim is generally capped by law at \$40,000. On top of that, certain categories of goods are subject to a maximum amount that can be paid. An example is objects of art such as sculptures are subject to a maximum payment of \$1,000 per item and \$4,000

per claim. See our web page for the complete listing of maximum amounts.

Full replacement value and private insurance claims...

If the claimant has private insurance, they must first file their claim and reach settlement with the insurer before filing a claim with the Coast Guard. A copy of the insurer's settlement must accompany the claim package submitted to the government.

Note - USAA no longer covers damages to household goods in transit - only missing property. The claimant should file the claim with USAA for all losses and damages. USAA will adjudicate the claim and settle the claim. Any items not paid by USAA may be claimed with the Coast Guard.

If the claimant requested and obtained full replacement value protection, they must first file their claim with the carrier. Should the carrier fail to settle the claim within 60 days or make a settlement offer that is not acceptable, send the claim package to the Claim Section along with any and all documentation from the carrier. Caution claimants not to cash checks from the carrier unless they are satisfied with the settlement. When the claimant cashes the carrier's check, they are accepting the carrier's settlement.

Claims under pilot household goods move programs...

There are two pilot household goods move programs that affect Coast Guard household goods shipments. The first is the MTMC PTOPS program, which affects 50 percent of the shipments from Florida, Georgia and North Carolina. The other is the Full Service Move Program (FSMP), which affects shipments from Georgia, Minot AFB, ND and the National Capitol Region.

Both programs have provisions to move goods at full value (up to a certain dollar amount) at no additional cost to the shipper. Under PTOPS, the claimant must file their claim directly with the carrier. If the carrier and claimant fail to reach

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satisfactory settlement, the claim may be sent to the Coast Guard for resolution. Under FSMP, the claimant must file their claim with the move manager (MM). The MM will settle the claim or forward it to the transportation service provider (TSP) for settlement. If the MM/TSP and the claimant cannot reach satisfactory settlement, then the claim may be sent to the Coast Guard for resolution.

As a CIO, you must be able to distinguish these shipments and advise the claimant where the claim must be filed. The primary difference for shipments under both programs is the fact that there is no government bill of lading involved. The claimant will have a commercial bill of lading or a service order covering the shipment. Also, the form for loss and damage notification will be different – there won't be a DD Form 1840/184R. Each contractor will have its own form.

If you encounter one of these shipments and are unsure what to do, please call the Claims Section at 757-366-6504. A claim settlement officer will assist you.

Pre-move precautions...

It is never too late to caution anyone you know is moving on how to prevent or minimize loss or damage to their personal property. Our web page contains pre-move tips and information on common errors.



Encourage shippers to make a personal inventory of their property and to gather substantiation of major items in their household before the moving process begins. Then, the inventory is the most crucial step in the moving process. Shippers must absolutely control the packing and inventorying of their property. If an item is not listed on the inventory, the shipper will most likely not be paid for that item when a claim is filed.

Changes to the Claims & Litigation Manual...

Commandant Instruction M5890.9, The Coast Guard Claims and Litigation Manual, has always been the bible for CIOs. FINCEN received permission from G-LCL to rewrite and publish household goods claim guidance and procedural instructions in FINCENSTFINST M7000.1, USCG Finance Center Standard Operating Procedures (SOP).

This change should occur before the end of this fiscal year. When G-LCL completes revision of M5890.9, it will outline basic requirements for personnel claims and reference the FINCEN SOP for procedures on household goods claims. Procedures for other personnel claims will still be contained by M5890.9.

Claim statistics...

Claim settlement personnel processed claims in record time – an average of 2 days – during March and April 2001!

When FINCEN assumed the household goods claims function in 1998, it took an average of 65 days to adjudicate and process a payment to the claimant. We looked at all our processes early in 1999 and made some changes.

Today, our goal is to process 80 percent of all claims in 10 days or less. We receive large numbers of claims in September, October, November and December each year – but we still expect to maintain our goal.

At the end of April, we paid \$510,562 to claimants during FY 2001. Since the function transferred to FINCEN, we've paid claimants nearly \$2.3M.

CIO training...

Claims personnel conducted training for CIOs throughout 2000. Because of funding constraints, no training is scheduled for FY 2001. If funding constraints are lifted, CIO training will be scheduled at the Finance Center. Commands sending personnel for training will be responsible for funding travel and per diem costs.

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Household Goods Claims Points of Contact

(effective 6/11/01) Administrative Specialist, 757-366-6504; email: cdaye@fincen.uscg.mil

- Lead Claim Settlement Officer, 757-366-6505; e-mail: pmarciano@fincen.uscg.mil
- Claim Settlement Officer, 757-366-6507; email: gstephenson@fincen.uscg.mil
- Claim Settlement Officer, 757-366-6515; email: phowell@fincen.uscg.mil
- CCP, Chief, Claims Section, 757-523-6947; e-mail: shubbard@fincen.uscg.mil

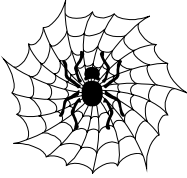
FAX 757-366-6541

Mail claim packages to:

Household Goods Claims & Carrier Recoveries
U. S. Coast Guard Finance Center
P. O. Box 4121
Chesapeake VA 23327-4121

Visit us on the web at <http://www.fincen.uscg.mil/hhg.htm>

Here are web sites that feature furniture:



www.goodhome.com
www.affordablefurniture.com
www.furniturefind.com
www.behome.com
www.furnitureonline.com
www.rtaonline.com
www.home123furniture.com
www.furnitureplaza.com

The site below is probably one of the most comprehensive sites for military moves we've ever seen. Please encourage shippers to visit this site.

<http://www.defenselink.mil/specials/itsyourmove/>

Need information on shipping a POV – go to this site and download information on shipping locations and the POV shipping guide

<http://www.mtmc.army.mil/property/default.htm>

Shippers can check the status of their POV shipment at the following site

www.whereismypov.com

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ELECTRONIC REPAIR FORM

The claims office must determine whether internal damage to an electrical or electronic item was caused by the item being dropped or mishandled in shipment, or whether the damage was due to age, fair wear and tear, a manufacturer's defect or any other factor. Please complete this form to the best of your ability.

1. Repair Firm Name & Address: _____

2. Repair Firm Telephone Number: _____

3. Owner's Name: _____

4. Item Examined: _____
(Make)

(Model) (Year Manufactured)

5. There (was) (was not) external damage to this item.

Description and location of new external damage is: _____

Description and location of old external damage is: _____

6. I (was) (was not) able to determine the cause of any new external damage. To the best of my knowledge and belief, the damage was caused by: _____

7. There (was) (was not) internal damage to this item.

Detailed description of internal damage is: _____

8. I (was) (was not) able to determine the cause of the internal damage. To the best of my knowledge and belief, the damage was caused by: _____

9. Was the internal damage caused by shipment: (Circle one)

a. Definitely b. Probably c. Possibly d. No e. Can't tell

10. The specific reasons for my conclusions regarding the internal damage are: _____

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11. My experience as a repair technician is (state years experience and area of experience):

12. I estimate the cost of repairing the internal damage is:

(parts) _____ \$ _____

(parts) _____ \$ _____

(parts) _____ \$ _____

Cleaning, adjustments, or other services: \$ _____

Tax: \$ _____

Labor: \$ _____

Total: \$ _____

13. Please list any charges which are not actually necessary to repair this item so that it properly functions (for example, list charges for cleaning, adjustment or other services which would not be required except as periodic maintenance).

Servicing charges not necessary: \$ _____

14. If there is new external damage to this item that your firm can repair, what are those charges:

Exact nature of repairs: _____

Total cost of external repairs: \$ _____

Tax: \$ _____

Labor: \$ _____

Total: \$ _____

15. If your repair firm is assigned the repair of this appliance, will you deduct your estimate fee from the total bill?

a. Yes b. No c. Estimate fee not charged

16. Please Print Name: _____

17. Signature: _____

18. Date: _____

Thank you for taking the time to complete this form.